#### LEARNING FROM MISTAKES? PATCHWORK CAPITALISM AND THE RESPONSES TO POST-PANDEMIC CRISES IN THE ESSENTIAL PUBLIC SERVICES IN POLAND

Adam Mrozowicki [University of Wrocław], Juliusz Gardawski [Warsaw School of Economics], Jacek Burski [University of Wrocław], Ryszard Rapacki [Warsaw School of Economics] – <u>adam.mrozowicki@uwr.edu.pl</u>; <u>jacek.burski@uwr.edu.pl</u>







NARODOWE CENTRUM NAUKI

Project NCN OPUS COV-WORK, funded by the National Science Centre in Poland, UMO-2020/37/B/HS6/00479.



#### **OVERVIEW**

- Introduction
- Methodological note
- Patchwork capitalism and post-pandemic interlinked crises
- Workers' collective responses to the interlinked crises: the results of empirical analysis
- Conclusions

#### INTRODUCTION

Overlapping crises affecting all levels of social reality:

The idea of polycrisis (Tooze 2021) or interlinked crises (UN GCRG).

The focus of our research is on:

Pandemic crisis

Refugee crisis caused by war in Ukraine

We explore ways of coping with crisis consequences by essential workers (Mezzadri 2022) in the public sector (healthcare, social care, education).

The paper refers to debates on the diversity of capitalism in CEE and proposes to develop and apply the newly crafted concept of "patchwork capitalism" (Gardawski, Rapacki 2021) to the analysis of the public services.

**Research questions:** 

1) to what extent the branches studied were prepared for interlinked crises?

2) how did actors representing different levels of organisational structure c react to two crises?

3) how do these reactions influence the ways in which the public services are organized, i.e. did we learn from mistakes?

#### METHODOLOGICAL NOTE

Hypotheses:

- The preparation of public sector for interlinked crises was limited and based on ad-hoc arrangements.
- The public sector functioning was reliant upon bottom-up workers' collective efforts to provide basic services
- 3. The patchwork organization of public services is likely to be reproduced rather than changed: limited transformative effects

Data:

1. Interviews with essential workers in education, health care and social care:

- biographical narrative interviews (42)
- focus group interviews (13)
- 2. Expert interviews with employers, trade unions and government representatives (23)

Qualitative data coding

#### THE FEATURES OF PATCHWORK CAPITALISM IN CEE (GARDAWSKI, RAPACKI 2021)

Institutional and non-institutional conditions of managing the crises: the ideal type of patchwork capitalism (Gardawski, Rapacki 2021)

- Institutional heterogeneity, i.e., the incoherence and lack of complementarity of the institutional architecture.
- The weakness of the institutional fabric.
- Social inclination to create informal institutions from below and launch ad hoc resourcefulness in solving non-routine problems.
- An open access socio-economic order, which facilitates attachment of new organizations and institutions representing different, often divergent inner logics.
- Inclination to falling into a development drift.

# DIACHRONIC AND SYNCHRONIC ORIGINS OF THE PATCHWORK ORDER

**1. Origins:** The historical roots of the weakness of formal institutions (including proto-capitalist institutional legacy, the legacy of authoritarian socialism, and imports of institutions from the West).

2. Building capitalism without capitalists after 1989 and the role played by MNCs

3. **Reformist elites of the political breakthrough:** idealization of neoliberal free market principles and a counter-movement

4. **Impact of the EU membership** on the pluralization of institutional architecture.

5. The social role of informal institutions as a long-term historical trait and the basis for a specific resourcefulness

6. Axiological patchwork - the co-existence of multiple value systems.

New traits reflecting illiberal swerves in CEE – patchwork at the crossroads (some tendencies – overcoming patchwork by crony capitalism?):

 skyrocketing state capture and rent seeking-driven development model

- further discrepancy between formally binding rules and decisions made at the discretion of state officials
- mounting symptoms of government failures in managing polycrisis

## PATCHWORK AT THE CROSSROADS: THE RESPONSE OF PUBLIC SECTOR IN THE FACE OF INTERLINKED CRISES

The protracted and interlinked crisis of public services in most capitalist countries (Greer & Umney, 2022; Kozek, 2011; Popic, 2023).

A peculiar character of public services under patchwork capitalism: a top-down transfer of essential services to low level structures without providing them with necessary resources

The patchwork order impact on reaction of the state's institutions to the COVID-19 pandemic and the war in Ukraine:

- A time-lagged, incomplete, selective and inadequate response of the public health care system to the pandemic.
- A very high number of excess deaths brought about by the COVID-19 pandemic.
- Fairly low level of state involvement and delays in the face of the refugee crisis.
- The role of informal institutions social resourcefulness in the first period of the Covid-19 pandemic and the refugee crisis following the war in Ukraine.

#### EMPIRICAL ANALYSIS: WORKERS' COLLECTIVE RESPONSES TO THE INTERLINKED CRISES

Three key dimensions of two crises – the COVID-19 pandemic and the refugee crisis caused by war in Ukraine

- 1. Organizational chaos affecting labor process the main feature of the turmoil was **the "freezing effect"** on power relations in the workplace, which translated into a lack of effective crisis management.
- 2. The increased **importance of self-organization** in the context of the partial paralysis of top-down management (importance of the innovative, individual and collective actions of the workers themselves)
- 3. The tension between a normalisation of crisis situations and the mushrooming of formal and informal ways of expressing workers discontent **building collective resilience mechanism**

### ORGANIZATIONAL CHAOS AFFECTING LABOR PROCESS

Negative assessment of the preparedness of the organisations where respondents worked to pandemic and refugee crisis

Healthcare: chaos regarding work pace, labor process reorganization, personnel management, health risk, tensions in relations with co-workers, supervisors and patients;

Social care: potentially high risk of virus contraction and spreading caused significant reorganisation, labour proces limitations and stress increase

Education: a shift to remote teaching without prior legal, organizational and technical (equipment) preparation – the situation repeated itself during refugee crisis and the arrival of Ukrainian pupils "The first month was one big chaos. There was nothing, no gloves, no guggles, no... I mean, there was, but it was all... it was of multiple use. So, you went in, you should come out, take it off, disinfect it, throw it away, put another one on. (...) After a month it started to improve, I mean, there were already protective measures. There was full hygiene." (FGI\_Nurses)

"Once again, it has turned out that a Ukrainian child has been admitted to school, and rightly so, (...) but the conditions for the education of Polish children in these combined [Polish-Ukrainian] classes have ceased to be a problem for the Minister for Education and Science, they have ceased to be a problem for local government, they have become my problem. My problem, a teacher's problem." (EX\_Trade unions, teacher)

# SELF-ORGANISATION AND MANAGING THE PANDEMIC AND REFUGEE CRISES

Temporary suspension and reconfiguration of existing workplace hierarchies and relations

Healthcare: (self-)organization of COVID wards

Social care: limitations in everyday work in some cases triggered labour process reorganisation; risk of lockdown of nursing homes (with patients and staff inside)

Education: teachers benefited from pre-pandemic and pre-war networks between colleagues and organised small mutual support groups

The role of resourcefulness in dealing with refugee crisis was especially visible among teachers and less in other groups. "Antoni: It was total chaos (...). The employees practically managed everything. We organized ourselves, we knew what was being done (...). So all this chaos, it was really prevented thanks to ... internal organization among the caregivers, because there was even a moment when we were not allowed to do things, when the orderly helped us while we were changing or bathing." [caregiver, nursing home, Workers' Initiative]

#### PROTESTS AND "PATCHWORK NORMALISATION" IN THE FACE OF INTERLINKED CRISES

Tension between normalisation mechanism (including the privatisation of coping strategies) and community-oriented actions (including solidarity)

Healthcare: the privatisation of life strategies (doctors), some disappointment with protests (nurses)

Social care: both crises triggered union organising and protests

Education: a bitter lesson of (failed) prepandemic strikes, rather "exit" than "voice" (labour shortages at school) "Basia: I think the situation changed a lot after the strike, when, let's not kid ourselves, but our rulers made such a big deal about our profession.

Researcher: After which strike?

Basia: The teachers' strike, it was April 2019. I noticed that our profession lost a lot of respect. We started to be treated, maybe not all of us, but a very large part of society as non-workers, freeloaders. (FGI\_Teachers)"

### CONCLUSIONS

Two features of patchwork order proved to be crucial for the public sector workers' responses to two crises:

(1) the social role of informal institutions; (2) bottom-up resourcefulness

As a result of (1) and (2): greater normalisation than solidarism in response to the crisis prevails. It is based on continuous search for non-standard solutions as the (habitual) means of providing essential services

Learning from mistakes is itself constrained by the patchwork order

Three hypotheses were largely confirmed by empirical research.

- reactive and belated anti-crisis policies pushed down responsibility for maintaining essential services to workers and lower-level management
- workers' coping strategies relying on individual resources and support from primary groups largely reproduce patchwork

Further research needed to explore the intersections of patchwork and neoliberalism

#### REFERENCES

Amable, Bruno. (2003). The diversity of modern capitalism. Oxford ; New York : Oxford University Press,

http://www.loc.gov/catdir/enhancements/fy0620/2004297869-t.html

Bohle, D., & Greskovits, B. (2012). Capitalist Diversity on Europe's Periphery (1st ed.). Cornell University Press. http://www.jstor.org/stable/10.7591/j.cttq439z

Gardawski, J., Rapacki, R. (2021), 'Patchwork Capitalism in Central and Eastern Europe – a New Conceptualization', Warsaw Forum of Economic Sociology, 24(1): 7-104.

Greer, I., & Umney, C. (2022). Marketization: How Capitalist Exchange Disciplines Workers and Subverts Democracy. https://doi.org/10.5040/9781350296855

Hall, P. A., & Soskice, D. (2001). Varieties of Capitalism: The Institutional Foundations of Comparative Advantage. Oxford University Press. http://www.amazon.com/Varieties-Capitalism-Institutional-Foundations-Comparative/dp/0199247757 Kozek, W. (2011). Gra o jutro usług publicznych w Polsce (p. ). Wydawnictwa Uniwersytetu Warszawskiego.

Mezzadri, A. (2022). Social reproduction and pandemic neoliberalism: Planetary crises and the reorganisation of life, work and death. Organization, 29(3), 379–400. https://doi.org/10.1177/13505084221074042

Nölke, A., & Vliegenthart, A. (2009). Enlarging the Varieties of Capitalism: The Emergence of Dependent Market Economies in East Central Europe. World Politics, 61(4), 670–702. https://doi.org/DOI: 10.1017/S0043887109990098

Peters, E. (2021). What You Want Is Not Always What You Get : Gender Differences in Employer-Employee Exchange Relationships during the COVID-19 Pandemic.

Popic, T. (2023). Health Reforms in Post-Communist Eastern Europe: The Politics of Policy Learning. Palgrave Macmillan.

Tooze, A. (2021). Shutdown: How Covid Shook the World's Economy. Viking.